WorldSkills Australia

ABN 43 147 075 714

Financial Statements

For the Year Ended 30 June 2022

WorldSkills Australia

ABN 43 147 075 714

Contents

For the Year Ended 30 June 2022

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Directors' Report
For the Year Ended 30 June 2022

The directors present their report on WorldSkills Australia ("the Company") for the financial year ended 30 June 2022.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Kevin Harris	(Chairperson)
Megan Lilly	(Deputy Chairperson)
Chloe Benton	(Resigned on 14 November 2022)
Jarrad Langdon	
Jack Hanrahan	
Terri-Helen Gaynor	
Wayne Collyer	(Resigned on 8 December 2021)
Trevor Schwenke	
Stephen Roche	
Duncan Jacklin	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating results

The surplus of the Company amounted to $1,174,142 (2021: surplus of $968,987; 2020: surplus of $142,122).

Principal activities

The principal activity of WorldSkills Australia during the financial year was the organisation and promotion of regional, national and international rounds of trade skills competitions.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to:

- raise awareness of the opportunities that exist in vocational education and training using the competitive process as a vehicle to do so.

Long term objectives

The Company's long term objectives are to:

- contribute to sustainable economic prosperity through the development, recognition and promotion of excellence in skills.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- be recognised as a critical participant and advocate in the development and promotion of skills excellence in Australia;
- extend the participation and engagement in skill based competitions;
- develop and implement an engagement strategy for volunteers that ensures the attraction, retention and succession of the volunteer; and
- develop strategies to increase long-term support from industry, sponsors and key stakeholder groups.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives by:

- increasing the number of competitors, mentors, trainers and employees in WorldSkills Australia programs; and
- virtue of the competition process, producing role models that can be held up as examples of what can be achieved via a vocational education and training (VET) pathway.

Members guarantee

WorldSkills Australia is a company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to $100 for members that are corporations and $100 for all other members, subject to the provisions of the Company's constitution.

At 30 June 2022 the collective liability of members was $1,000 (2021: $1,000; 2020: $1,100).

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Benefits received directly or indirectly by officers

WorldSkills Australia has agreements with director, Jarrad Langdon, for the supply of services. Details of the agreement are listed below:

- Jala Design Pty Ltd (Jarrad Langdon) provided website and design services during the year. WorldSkills Australia remunerated an amount of $9,800 (2021: $6,380; 2020: $6,380) for services provided.

Events after the reporting date

A new Australian Government Grant Agreement was secured for the period 1 December 2022 until 5 November 2026. It provides a total of $7,609,00 in funding over the duration of the agreement period.

Director, Chloe Benton resigned from the WorldSkills Australia Board on 14 November 2022.

Directors' Report

For the Year Ended 30 June 2022

Events after the reporting date (continued)

Except for the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Meetings of directors

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Finance, Audit and Risk Committee Meetings		Remuneration Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Kevin Harris	4	4	4	4	1	1
Wayne Collyer	2	2	-	-	-	-
Jack Hanrahan	4	4	4	4	-	-
Chloe Benton	4	4	-	-	-	-
Jarrad Langdon	4	4	-	-	-	-
Megan Lilly	4	4	-	-	1	1
Terri-Helen Gaynor	4	3	4	4	-	-
Stephen Roche	4	4	4	4	-	-
Trevor Schwenke	4	4	4	4	1	1
Duncan Jacklin	4	3	4	3	1	1

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: .... Kevin Harris

Director: .... Jack Hanrahan

Dated this 19th day of December 2022

AUDITOR'S INDEPENDENCE DECLARATION

We declare that, to the best of our knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit of the financial report of WorldSkills Australia for the year ended 30 June 2022.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Nick Walker
Partner

Melbourne
21 December 2022

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WorldSkills Australia

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	2022 $	2021 $	2020 $
Revenue	4	**4,272,521**	2,429,736	2,331,796
Other income	4	**51,801**	137,151	177,448
Employee benefits expense		**(1,192,223)**	(1,046,250)	(1,146,705)
Depreciation expense	5	**(143,101)**	(139,315)	(145,587)
Program expenses		**(1,475,856)**	(123,055)	(699,429)
Property and maintenance expenses		**(9,843)**	(24,135)	(28,315)
Administration and marketing expenses		**(329,157)**	(265,145)	(347,086)
Surplus before income tax		**1,174,142**	968,987	142,122
Income tax expense	2(c)	**-**	-	-
Net surplus for the year		**1,174,142**	968,987	142,122
Total comprehensive income for the year		**1,174,142**	968,987	142,122

The accompanying notes form part of these financial statements.

WorldSkills Australia

ABN 43 147 075 714

Statement of Financial Position

As At 30 June 2022

	Note	2022 $	2021 $	2020 $
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	6	**3,677,780**	2,591,837	1,830,690
Trade and other receivables	7	**702,715**	1,181,881	149,296
Other financial assets	8	**64,855**	64,804	64,523
Other assets	9	**190,998**	309,630	163,582
TOTAL CURRENT ASSETS		**4,636,348**	4,148,152	2,208,091
NON-CURRENT ASSETS				
Right-of-use assets	10(a)	**340,857**	777,529	907,117
Property, plant and equipment	11	**25,932**	31,072	12,574
Intangible assets	12	**8,606**	14,850	21,005
TOTAL NON-CURRENT ASSETS		**375,395**	823,451	940,696
TOTAL ASSETS		**5,011,743**	4,971,603	3,148,787
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	13	**317,327**	213,870	141,322
Lease liabilities	10(b)	**107,562**	114,467	106,520
Employee benefits	14	**76,127**	66,847	46,154
Contract liabilities (2019 and 2018: Other liabilities)	15	**1,283,372**	2,061,409	1,207,890
TOTAL CURRENT LIABILITIES		**1,784,388**	2,456,593	1,501,886
NON-CURRENT LIABILITIES				
Lease liabilities	10(b)	**243,158**	705,156	819,829
Employee benefits	14	**48,040**	47,839	34,044
TOTAL NON-CURRENT LIABILITIES		**291,198**	752,995	853,873
TOTAL LIABILITIES		**2,075,586**	3,209,588	2,355,759
NET ASSETS		**2,936,157**	1,762,015	793,028
EQUITY				
Retained earnings	16	**2,936,157**	1,762,015	793,028
TOTAL EQUITY		**2,936,157**	1,762,015	793,028

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2022

	Note	2022 $	2021 $	2020 $
Retained Earnings				
Balance at 1 July	16	**1,762,015**	793,028	650,906
Net surplus/(deficit) for the year	16	**1,174,142**	968,987	142,122
Balance at 30 June	16	**2,936,157**	1,762,015	793,028
Total Equity		**2,936,157**	1,762,015	793,028

The accompanying notes form part of these financial statements.

WorldSkills Australia

ABN 43 147 075 714

Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	2022 $	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers		**4,276,212**	2,712,155	4,034,544
Payments to suppliers and employees		**(3,078,072)**	(1,859,093)	(2,699,280)
Interest received		**3,880**	4,111	3,823
Interest paid		**(7,330)**	(20,560)	-
Net cash provided by/(used in) operating activities		**1,194,690**	836,613	1,339,087
CASH FLOWS FROM INVESTING ACTIVITIES:				
Payment for intangible asset		**-**	-	(8,774)
Purchase of property, plant and equipment		**(2,128)**	-	-
Purchase of financial assets		**(51)**	(281)	(940)
Net cash used in investing activities		**(2,179)**	(281)	(9,714)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of lease liabilities		**(106,568)**	(75,185)	(99,581)
Net cash used by financing activities		**(106,568)**	(75,185)	(99,581)
Net increase/(decrease) in cash and cash equivalents held		**1,085,943**	761,147	1,229,792
Cash and cash equivalents at beginning of year		**2,591,837**	1,830,690	600,898
Cash and cash equivalents at end of financial year	6(a)	**3,677,780**	2,591,837	1,830,690

The accompanying notes form part of these financial statements.

The financial report covers WorldSkills Australia as an individual entity. WorldSkills Australia is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of WorldSkills Australia is Australian dollars.

The financial report was authorised for issue by the Directors on 19 December 2022.

Comparatives are consistent with prior years, unless otherwise stated. Refer to Note 20: Comparative financial information.

1 Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Australian Charities and Not-For-Profits Commission Act 2012*. The Company is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements of the Company comply with Australian Accounting Standards - Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

2 Summary of Significant Accounting Policies (continued)

(a) Revenue and other income (continued)

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control of the asset.

Sponsorship

Sponsorship revenue is recognised when the performance obligation related to the sponsorship is fulfilled by the Company.

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or the before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Interest revenue

Interest is recognised using the effective interest method.

In-kind contributions are received by the Company in relation to various expenditure categories, including employee benefits and program expenses.

These amounts have not been recognised in the financial statements, as the volume and complexity of such contributions make it impractical to reliably determine an appropriate value.

2 Summary of Significant Accounting Policies (continued)

(b) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

2 Summary of Significant Accounting Policies (continued)

(c) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following category, those measured at:

- amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or

- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

2 Summary of Significant Accounting Policies (continued)

(e) Financial instruments (continued)

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade and other payables.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Equipment	10% - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Employee benefits

Short-term employee benefits

Provision is made for the Company’s obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company’s obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

2 Summary of Significant Accounting Policies (continued)

(g) Employee benefits (continued)

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(h) Economic dependence

WorldSkills Australia is dependent on the Australian Federal Government for the majority of its revenue used to operate the business. At the date of this report, the Board of Directors has no reason to believe that the Australian Federal Government will not continue to support WorldSkills Australia.

(i) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(j) Adoption of new and revised accounting standards

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Company's financial statements.

2 Summary of Significant Accounting Policies (continued)

(k) New accounting standards for application in future periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

3 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The directors have not made any material accounting estimates or judgements which are likely to affect the future results of the Company.

Notes to the Financial Statements

For the Year Ended 30 June 2022

4 Revenue and Other Income

	2022	2021	2020
	$	$	$
Revenue			
- operating grants	**3,786,273**	2,389,720	2,270,796
- sponsorship and donations	**443,686**	38,678	51,685
- regional income	**42,562**	1,338	9,315
Total revenue	**4,272,521**	2,429,736	2,331,796
Other income			
- interest	**3,880**	4,081	3,823
- JobKeeper government subsidy	**-**	73,500	63,000
- cash boost government stimulus	**-**	37,500	62,500
- gain on lease modification	**47,921**	-	-
- other income	**-**	22,070	48,125
Total other income	**51,801**	137,151	177,448
Total revenue and other income	**4,324,322**	2,566,887	2,509,244

(a) Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time, and the following table shows this breakdown:

	2022	2021	2020
	$	$	$
Revenue recognition			
Revenue recognised over time:			
- operating grants	**3,702,629**	2,378,712	2,205,788
	3,702,629	2,378,712	2,205,788
Revenue recognised at a point in time:			
- operating grants	**83,644**	11,008	65,008
- sponsorship and donations	**443,686**	38,678	51,685
- regional income	**42,562**	1,338	9,315
	569,892	51,024	126,008
Revenue from contracts with customers	**4,272,521**	2,429,736	2,331,796

Notes to the Financial Statements

For the Year Ended 30 June 2022

5 Result for the Year

The result for the year includes the following specific expenses:

	2022	2021	2020
	$	$	$
Employee benefit expenses:			
Superannuation contributions	**103,077**	87,846	92,743
Depreciation and amortisation expenses:			
Depreciation - office equipment	**7,269**	3,572	6,292
Depreciation - right-of-use assets	**129,588**	129,588	129,588
Amortisation - computer software	**6,244**	6,155	9,707
Total depreciation and amortisation expenses	**143,101**	139,315	145,587

6 Cash and Cash Equivalents

	Note	2022	2021	2020
		$	$	$
Cash on hand		**36**	36	36
Cash at bank		**3,609,200**	2,541,473	1,787,176
Short-term deposits		**68,544**	50,328	43,478
Total cash and cash equivalents	6(a)	**3,677,780**	2,591,837	1,830,690

(a) Reconciliation of cash

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

	Note	2022	2021	2020
Cash and cash equivalents	6	**3,677,780**	2,591,837	1,830,690
Balance as per statement of cash flows		**3,677,780**	2,591,837	1,830,690

Notes to the Financial Statements

For the Year Ended 30 June 2022

7 Trade and Other Receivables

	2022 $	2021 $	2020 $
CURRENT			
Financial assets at amortised cost:			
Trade receivables	**642,713**	1,181,878	115,775
	642,713	1,181,878	115,775
Other receivables			
Accrued income	**60,002**	3	33,521
	60,002	3	33,521
Total current trade and other receivables	**702,715**	1,181,881	149,296

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Other financial assets

	2022 $	2021 $	2020 $
CURRENT			
Financial assets at amortised cost:			
- Term deposits	**64,855**	64,804	64,523
Total current other financial assets	**64,855**	64,804	64,523

9 Other Assets

	2022 $	2021 $	2020 $
CURRENT			
Prepayments	**190,998**	309,630	163,582
Total current other assets	**190,998**	309,630	163,582

10 Leases

Company as a lessee

The Company has a lease agreement over its office premises.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Operating leases have been taken out for office premises. Lease payments for the office premises were re-negotiated in FY22 and a new agreement was signed. The new lease terms are 3 years, expiring in July 2025 with no option to extend.

(a) Right-of-use assets

	2022	2021	2020
	$	$	$
Office premises			
At cost	**729,621**	1,036,705	1,036,705
Less: Accumulated depreciation	**(388,764)**	(259,176)	(129,588)
Total right-of-use assets	**340,857**	777,529	907,117

Movements in carrying amounts of right-of-use assets:

	Office Premises	Total
	$	$
Year ended 30 June 2022		
Balance at beginning of year	**777,529**	**777,529**
Reductions in right-of-use assets due to lease modification	**(307,084)**	**(307,084)**
Depreciation expense	**(129,588)**	**(129,588)**
Balance at end of year	**340,857**	**340,857**

(b) Lease liabilities

	2022	2021	2020
	$	$	$
Current lease liabilities	**107,562**	114,467	106,520
Non-current lease liabilities	**243,158**	705,156	819,829
Total lease liabilities	**350,720**	819,623	926,349

Notes to the Financial Statements

For the Year Ended 30 June 2022

10 Leases (continued)

(b) Lease liabilities (continued)

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	$	$	$	$	$
2022					
Lease liabilities	**113,077**	**247,904**	**-**	**360,981**	**350,720**
2021					
Lease liabilities	132,163	583,676	159,816	875,655	819,623
2020					
Lease liabilities	127,080	561,227	314,635	1,002,942	926,349

(c) Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2022	2021	2020
	$	$	$
Interest expense on lease liabilities	**(7,330)**	(20,560)	(23,197)
Depreciation of right-of-use assets	**(129,588)**	(129,588)	(129,588)
	(136,918)	(150,148)	(152,785)

Notes to the Financial Statements

For the Year Ended 30 June 2022

11 Property, plant and equipment

	2022	2021	2020
	$	$	$
Equipment			
At cost	**139,627**	137,498	118,623
Accumulated depreciation	**(113,695)**	(106,426)	(106,049)
Total equipment	**25,932**	31,072	12,574
Total property, plant and equipment	**25,932**	31,072	12,574

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Equipment	Total
	$	$
Year ended 30 June 2022		
Balance at the beginning of year	**31,072**	**31,072**
Additions	**2,129**	**2,129**
Depreciation expense	**(7,269)**	**(7,269)**
Balance at the end of the year	**25,932**	**25,932**

12 Intangible Assets

	2022	2021	2020
	$	$	$
Computer software			
Cost	**47,000**	47,000	47,000
Accumulated amortisation and impairment	**(38,394)**	(32,150)	(25,995)
Net carrying value	**8,606**	14,850	21,005
Total intangibles	**8,606**	14,850	21,005

(a) Movements in carrying amounts of intangible assets

	Computer software	Total
	$	$
Year ended 30 June 2022		
Balance at the beginning of the year	**14,850**	**14,850**
Amortisation	**(6,244)**	**(6,244)**
Closing value at 30 June 2022	**8,606**	**8,606**

Notes to the Financial Statements

For the Year Ended 30 June 2022

13 Trade and other payables

	2022	2021	2020
	$	$	$
CURRENT			
Unsecured liabilities			
Financial liabilities at amortised cost			
Trade payables	**98,073**	44,570	54,647
Sundry payables and accrued expenses	**47,640**	71,491	57,360
	145,713	116,061	112,007
Other			
GST payable	**171,614**	97,809	29,315
Total current trade and other payables	**317,327**	213,870	141,322

Trade and other payables are unsecured, noninterest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

14 Employee Benefits

	2022	2021	2020
	$	$	$
CURRENT			
Annual leave	**76,127**	66,847	46,154
Total current employee benefits	**76,127**	66,847	46,154
NON-CURRENT			
Long service leave	**48,040**	47,839	34,044
Total non-current employee benefits	**48,040**	47,839	34,044

15 Contract Liabilities

	2022	2021	2020
	$	$	$
CURRENT			
Income received in advance	**1,283,372**	2,061,409	1,207,890
Total current contract liabilities	**1,283,372**	2,061,409	1,207,890

16 Retained Earnings

	2022	2021	2020
	$	$	$
Retained earnings at the beginning of the financial year	**1,762,015**	793,028	650,906
Net surplus for the year	**1,174,142**	968,987	142,122
Retained earnings at end of the financial year	**2,936,157**	1,762,015	793,028

Notes to the Financial Statements

For the Year Ended 30 June 2022

17 Key Management Personnel Disclosures

The remuneration paid to key management personnel of WorldSkills Australia during the year is as follows:

	2022	2021	2020
	$	$	$
Short-term employee benefits	**570,838**	545,990	465,765
Post-employment benefits	**56,978**	51,869	44,247
Total KMP remuneration	**627,816**	597,859	510,012

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 19: Related Parties.

18 Auditor's Remuneration

	2022	2021	2020
	$	$	$
Remuneration of the auditor, HLB Mann Judd, for:			
- auditing the financial statements	**14,500**	14,500	11,790
- acquittal audit	**1,550**	1,550	1,500
- financial statement preparation	**2,600**	2,600	2,510
Total auditor's remuneration	**18,650**	18,650	15,800

19 Related Parties

(a) The Company's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 17: Key Management Personnel (KMP) Disclosures.

Other transactions with KMP and their related entities are shown below.

(ii) Other related parties include close family members of key management personnel and entities that are controlled.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

19 Related Parties (continued)

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	2022 $	2021 $	2020 $
KMP related parties			
Jala Design Pty Ltd (owned by director, Jarrad Langdon) - website and design services	**9,800**	6,380	6,380
	9,800	6,380	6,380

20 Comparative financial information

The Company operates on a two year business cycle for their competitions, with national and international competitions held every second year, in alternating years. The financial statements have been prepared cognisant of this competition cycle, with two years of comparative information included to provide greater disclosure reflecting this.

However, over the last two years, disruptions due to COVID and resultant border closure, the timing, physical structure and associated expenditure of our programs (in particular National Championships) were altered, meaning the comparative information is not a like for like comparison.

21 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of $100 each towards meeting any outstanding obligations of the Company. At 30 June 2022 the number of members was 10 (2021: 10; 2020: 11).

22 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021: None; 30 June 2020: None).

23 Events after the end of the Reporting Period

The financial report was authorised for issue on 19 December 2022 by the Board of Directors.

A new Australian Government Grant Agreement was secured for the period 1 December 2022 until 5 November 2026. It provides a total of $7,609,00 in funding over the duration of the agreement period.

Director, Chloe Benton resigned from the WorldSkills Australia Board on 14 November 2022.

Except for the above, no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

24 Company Details

The registered office of and principal place of business of the Company is:

Level 7, 379 Collins St
92-94 Elizabeth Street
Melbourne Victoria 3000

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 26, are in accordance with the *Australian Charities and Not-For-Profits Commission Act 2012* and:

   a. comply with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-For-Profits Commission Regulations 2013* and other mandatory professional reporting requirements; and

   b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company.

2. In the directors' opinion, subject to Note 2(h), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director	Director ....
Kevin Harris	Jack Hanrahan

Dated this 19th day of December 2022

Independent Auditor's Report to the Members of WorldSkills Australia

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of WorldSkills Australia ("the Entity") which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by the Directors.

In our opinion, the accompanying financial report of the Entity has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* including:

(a) giving a true and fair view of the Entity's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Directors for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Nick Walker
Partner

Melbourne
21 December 2022